

CHAPTER 181

Job Creation Grant Program

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181.01 ESTABLISHED.

There is hereby established the City of Bedford Heights **Job Creation Grant** Program to offer incentives to eligible companies or businesses to establish or expand within the City of Bedford Heights and to create and retain **jobs** under the terms and conditions as indicated in this Chapter.

(Ord. 2006-057. Passed 3-21-06.)

181.02 PURPOSE.

The City of Bedford Heights **Job Creation Grant** Program provides a monetary **grant** to companies or businesses located within the City of Bedford Heights resulting in the **creation** and retention of new **jobs** that originate within the City of Bedford Heights or **jobs** transferred to an existing company consolidating its operation within the City of Bedford Heights. The **Job Creation Grant** is an annual payment from the City's non-**tax** generated revenues (such as interest income, permit fees, service charges, activity fees, and **tax** incentive application and monitoring fees) equal to a portion of the income **tax** paid as result of such new employment.

(Ord. 2006-057. Passed 3-21-06.)

181.03 DEFINITIONS.

The following definitions shall apply to Chapter [181](#), **Job Creation Grant** Program:

(a) "Full-time employee" means an individual who is employed for consideration for at least thirty-five (35) hours a week, or who renders any other standard of service generally accepted by custom or specified by contract as full-time employment.

(b) "New employee" means a full-time employee first employed by the owner/business in the project that is the subject of the agreement after the owner/business enters into a **Job Creation Grant** Agreement with the City under this Chapter or a full-time employee transferred to an existing business consolidating its operation within the City of Bedford Heights after the owner/business enters into a **Job Creation Grant** Agreement with the City under this Chapter. Shareholders or owners that form the company or business are exempt from being considered as a "new employee."

(c) "New **job**" means a **job** held by a "new employee."

(d) “New payroll” means the total amount paid as wages to “new employees” not including exercised stock options and bonuses.

(e) “Existing company or business” means a company or business presently residing in the City of Bedford Heights at the time of application and paying employees an hourly wage and/or an annual salary.

(f) “Transferred **jobs**” are those transferred into Bedford Heights by an existing company or business consolidating its operation within the City of Bedford Heights. (Ord. 2006-057. Passed 3-21-06.)

181.04 ELIGIBILITY.

An existing company or business or a company or business constructing new or buying or leasing an existing vacant property within any business district within the City of Bedford Heights shall be eligible to apply for an annual **Job Creation Grant** payment under the following terms and conditions:

(a) The owner/business is not eligible for Enterprise Zone or Community Reinvestment Area incentives for the same project.

(b) Retail and food service businesses are not eligible for the **Job Creation Grant** Program.

(c) An existing company or business already located in the City of Bedford Heights and expanding its current facility or expanding at a new facility must create within a three (3) year period an additional ten (10) new **jobs** or five hundred thousand dollars (\$500,000) in new payroll, while maintaining its current employment workforce and payroll to be eligible for the **Job Creation Grant** Program. The company or business must meet this requirement in Year 3 to remain eligible for the **grant** program. The company or business must give annual projections for each year of the **grant** program and the **grant** will be based upon the projections including those for Year 1 and Year 2. An existing company or business consolidating its operation within the City of Bedford Heights may count the **jobs** transferred into Bedford Heights for purposes of the **Job Creation Grant** Program as long as the minimum new **jobs** or new payroll are met.

(d) A company or business not yet located within the City of Bedford Heights must create within a three (3) year period a minimum of fifty (50) new **jobs** that originate within the City of Bedford Heights or a minimum new payroll of one million dollars (\$1,000,000) originating in the City of Bedford Heights, while maintaining its current employment workforce and payroll brought to the City of Bedford Heights to be eligible for the **Job Creation Grant** Program. The company or business must meet this requirement in Year 3 to remain eligible for the **grant** program. The company or business must give annual projections for each year of the **grant** program and the **grant** will be based upon the projections including those for Year 1 and Year 2.

(e) Companies or businesses must commit to an annual payroll (existing or originating and new) of at least \$1,000,000 to be eligible for the **Job Creation Grant** Program.

(f) Should the existing and/or new payroll decline from the level existing or agreed to be created at the time of the initial credit agreement, the **Job Creation Grant** Agreement may be decreased or discontinued.

(g) The owner/business must agree to remain within the City and maintain the existing

jobs/payroll and the new **jobs**/payroll created for twice the period of the **Job Creation Grant** Program. If not, the total amount of the **grant** awarded must be repaid to the City. (For example, this requirement will remain in effect for ten (10) years if the **grant** program is for a five (5) year term. If the company or business leaves the City of Bedford Heights or does not maintain the existing **jobs**/payroll and the new **jobs**/payroll created at any time during the ten (10) year period starting with Year 1 of the **grant** program, the total amount of the **grant** paid by the City during the term of the **grant** program must be repaid by the company or business to the City.)

(h) The **Job Creation Grant** Agreement will be for a specific facility. However, if the company or business has multiple locations within the City of Bedford Heights and total employment and payroll projections are met and retained at any combination of locations within the City of Bedford Heights, the company or business will qualify for the **Job Creation Grant** Program.

(i) The owner/business must commit to comply with the laws and ordinances of the City of Bedford Heights.

(j) The owner/business must not owe any delinquent **taxes** to the State of Ohio or any political subdivision within the State of Ohio.

(k) The **Job Creation Grant** Program must be applied for and offered by the City of Bedford Heights prior to finalization of property or land acquisition, construction, installation of machinery or equipment or leasing. Letters of Intent must specify that agreements for property or land acquisition, construction, installation of machinery or equipment or leasing are contingent upon completion of a **Job Creation Grant** Agreement. Commencement of a project prior to approval of the **Job Creation Grant** by the City is done at the risk of the company or business.

(l) The owner/business must agree to solicit employment applications from qualified City of Bedford Heights residents and give good faith consideration for employment positions that become available during the term of this Agreement.

(Ord. 2006-057. Passed 3-21-06.)

(m) Notwithstanding the requirements of subsections (c), (e), (g) and (k) of this section, and Section [181.06](#) of the Codified Ordinances, the City of Bedford Heights may offer a **tax** credit of up to fifty percent (50%) on the City's two percent (2%) payroll withholding **tax** for a maximum period of five (5) years to existing eligible businesses or companies located within the City of Bedford Heights upon the following terms and conditions:

(1) The existing business or company located within the City of Bedford Heights employs a minimum of twenty (20) full-time employees and/or a minimum payroll of at least one million dollars (\$1,000,000) at its Bedford Heights facility and agrees to maintain at least the minimum number of such full-time employees and minimum payroll during the term of any agreement under Chapter [181](#) of the Codified Ordinances.

(2) The existing business or company located within the City of Bedford Heights completes the "**Job Retention and Creation Tax Grant** Application" and supplies any and all information requested by the Director of Economic and Community Development and the Director of Finance.

(3) The Director of Finance and the Director of Economic and Community Development, after review of the "**Job Retention and Creation Tax Grant** Application",

certify to the Mayor and Council that there is a clear and imminent danger that without the **granting** of a “**Job** Retention and **Creation Tax** Credit” the business or company making such application will either relocate or close its Bedford Heights facility.

(4) The Director of Finance and the Director of Economic and Community Development certify to the Mayor and Council that the relocation or closure of a business or company located within the City of Bedford Heights which has made application for the “**Job** Retention and **Creation Tax** Credit” will lead to the probable loss of at least twenty (20) **jobs** and/or company payroll of at least one million dollars (\$1,000,000) and have a significant negative impact on the City’s budget and the local economy.

(5) The owner/business must agree to remain within the City and maintain at least the existing **jobs**/payroll for the period of time established for the **Job** Retention and **Creation Tax** Credit agreement and shall fulfill all requirements of that agreement. Should the owner/business fail to do so, the City, up on recommendation of the Finance Director and Director of Economic and Community Development, may waive the provisions of Section [181.08](#) upon a showing by the owner/business that it used all reasonable efforts to comply with the terms of the **Job** Retention and **Creation Tax** Credit agreement, but due to economic hardship failed to meet the terms thereof.

(Ord. 2009-004. Passed 1-6-09.)

181.05 APPLICATION PROCEDURES.

Application forms for the **Job Creation Grant** Program are available from the Director of Economic and Community Development. Upon submittal of a completed application to the Director of Economic and Community Development, the applicant will be contacted to meet with the Economic and Community Development Committee of Bedford Heights City Council. Offers will be made to the applicant in writing. Upon the written acceptance of the offer by the company or business, an agreement and legislation will be prepared for City Council's approval. An application fee of \$750.00, in the form of a check payable to the City of Bedford Heights, shall be submitted by the applicant prior to City Council's approval of the Agreement. The applicant may begin the project following City Council's approval and execution of the Agreement.

(Ord. 2006-057. Passed 3-21-06.)

181.06 GRANT OFFER GUIDELINES.

The **Job Creation Grant** Program offer guidelines shall be as follows:

(a) The maximum **Job Creation Grant** will be for ten (10) years and will be based on new payroll projections of at least one million dollars (\$1,000,000) or **creation** of at least fifty (50) new **jobs** or for existing businesses with the City of Bedford Heights on new payroll projections of at least five hundred thousand dollars (\$500,000) or **creation** of at least ten (10) new **jobs** while retaining the existing employees and payroll. Total payroll (existing or originating and new) shall be used to determine the number of years of the **grant** program as determined by Bedford Heights City Council.

(b) If the company or business is leasing space, the number of years of the **grant** program may be limited from one-half up to the life of the lease term but shall not exceed the lease term up to a maximum of ten (10) years.

(c) The annual percentage of the **Job Creation Grant** will be determined by Bedford

Heights City Council and shall be equal to no more than one-half (½) of the total payroll **taxes** (or up to 1% of the 2% payroll **tax**) paid to the City of Bedford Heights for the duration of the **Job Creation Grant** Agreement.

(d) The amount of the **Job Creation Grant** will be calculated annually based on the performance of the company or business in meeting its payroll or employment projections for the previous year. The **Job Creation Grant** will be awarded according to the schedule below:

<u>% of Annual Payroll Projection Met</u>	<u>% of Job Creation Grant Awarded</u>
90 -100%	Full Grant
85 - 89%	95% of the Grant
80 - 84%	90% of the Grant
75 - 79%	85% of the Grant
Less than 75%	No Grant for that year

(e) The amount of **Job Creation Grant** will be based on payroll **taxes**, reportable wages to the Regional Income **Tax** Agency (RITA).

(f) The company or business must retain the existing number of employees and base payroll and achieve at least 75% of the **job creation** projection in terms of employment or payroll for the previous year to receive a **grant** payment for that year. **Job Creation Grant** payments will begin the year following occupancy (or Year 1) and will terminate after December 31st of the last year in which a **grant** amount is paid.

181.07 TERMINATION OF AGREEMENT.

(a) the date by which Year 1 projects must be met will be specified in the Agreement. If a project start or occupancy of a project facility is delayed, the company or business may send a written request to the Clerk of Council with a copy to the Director of Economic and Community Development for a one-year extension. The extension must be approved by Council. If the project does not proceed as specified in the Agreement or within the one-year extension period, City Council may rescind the Agreement.

(b) If a company or business fails to meet 75% of its payroll or employment projections three consecutive years at any time during the Agreement, City Council may rescind the Agreement following an annual report by the Director of Economic & Community Development on the status of all Agreements.

(cc) If a project or occupancy of a project facility begins in the 3rd or 4th quarter of the year and the company or business is not able to meet its Year 1 projections by December 31st of the that year, Year 1 shall be considered the first full year of occupancy for purposed of the Agreement. (Ord. 2006-057. Passed 3-21-06.)

181.08 PAYBACK PROVISION.

Each Agreement shall include a payback provision of 50% of all **grant** amounts paid during the term of the **Job Creation Grant** Agreement if the company or business reduces its payroll by 25% or the company or business leaves the City of Bedford Heights during twice the term of the Agreement.

(Ord. 2006-057. Passed 3-21-06.)

181.09 ANNUAL REPORTING.

Companies must submit an annual **Job Creation Grant** Report to the City Finance Director documenting employment, payroll and investment performance upon forms supplied by the City. Annual performance reports shall list the names of the new employees, the city in which the new employee resides, and their annual earnings. This Report shall be due no later than March 1st of each year. Annual performance Reports will be reviewed by the Director of Finance as **Tax** Administrator who will make a report to the **Tax** Incentive Review Committee in conjunction with the Director Economic and Community Development who shall make a report to City Council.

(Ord. 2006-057. Passed 3-21-06.)

181.10 ANNUAL MONITORING FEE.

An annual monitoring fee of \$500.00, in the form of a check payable to the City of Bedford Heights, will be due by March 1st of each year and is to be submitted to the City Finance Director with the annual **Job Creation Grant** Report. The annual fee will be used to offset costs and expenses associated with program administration.

(Ord. 2006-057. Passed 3-21-06.)